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Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Regulatory News Service
London Stock Exchange Limited
London EC2 1HP
United Kingdom

Dear Sir/Madam

ABU DABBAB – FREE TRADE ZONE

Following discussions with the Egyptian General Authority for Investment and Free Zones ("GAFI") Gippsland Limited ("Gippsland" or "the Company") is pleased to announce that the Company's 40 million tonne Abu Dabbab project will operate under the umbrella of a specially established Free Trade Zone ("FTZ") which will provide a number of significant long-term benefits to the project including but not limited to the following:

1. Zero import duty for plant & equipment plus Abu Dabbab project consumables;
2. Zero sales tax; and
3. Zero general and Company profit taxation.

The benefits provided by the FTZ will apply for the life of the Abu Dabbab project and the Company's nearby 98 million tonne Nuweibi tantalum deposit.

GAFI is Egypt's "One Stop Shop" for investment, easing the way for investors worldwide to take advantage of Egyptian investment opportunities with emphasis being placed upon export oriented industries. GAFI is the primary governmental authority concerned with facilitating foreign investment and assisting with a range of services which are provided at no cost to the foreign investor.

The ability of Gippsland to reach this milestone agreement with GAFI to establish a project specific FTZ (the first of its kind) provides clear evidence that the Abu Dabbab project is enjoying a very high level of support from its joint venture partner Egyptian Geological Survey & Mining Authority, and the Egyptian Government. The Board of Gippsland is delighted with the progress and status of its joint venture with the Egyptian Geological Survey & Mining Authority.

The Company's consultant engineers Lycopodium Pty Ltd are currently finalising the Abu Dabbab Bankable Feasibility Study which will now make allowance for the benefits provided by the FTZ. The Bankable Feasibility Study will be delivered to the Company during the week starting 6 September 2004.

Yours sincerely
RJ (Jack) Telford
Executive Chairman



For further information please contact:

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